



City of La Habra

Small Business Assistance Program (SBAP)

American Rescue Plan Act (ARPA)



Program Guidelines

July 2022

Page 1 | 6



1.0 INTRODUCTION

In response to the Coronavirus Pandemic (COVID-19), Congress approved the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) as part of the American Rescue Plan. The SLFRF delivered \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The SLFRF program ensures that governments have the resources needed to fight the pandemic and support businesses struggling with its public health and economic impacts.

The City of La Habra as a recipient of the SLFRF funds has established the Small Business Assistance – American Rescue Plan Program (SBAP-ARPA) to assist small businesses in their economic recovery as a result of the negative impact of the Coronavirus pandemic. The program provides grants of up to \$10,000 to eligible businesses to respond to the negative impact of COVID-19. The City has made an initial allocation of \$300,000 to fund this program.

Applications will be accepted on a first-come, first-serve basis beginning August 1, 2022 until funds are exhausted

2.0 ELIGIBILITY AND MINIMUM REQUIREMENTS

Eligible applicants include private for-profit businesses, inclusive of corporations, limited liability companies, partnerships (general and limited), or sole proprietorships, that have legal standing as a business and are licensed by the City of La Habra.

To be eligible for the SBAP-ARPA, the following minimum requirements must be met:

- a. The business is a for-profit business and located within the corporate limits of the City of La Habra.
- b. Business has fewer than 50 employees. The term “employee” includes all owners of the business on the most recent quarterly report.
- c. The business can show a loss in business revenue or increase in operating costs as shown on filed federal income tax returns between 2019 and 2021 or if not filed through business bank statements.
- d. The business has been located and operating in La Habra for at least six months prior to March 4, 2020, the date the State declared a state of emergency
- e. Owner is 18 years or older.
- f. Business or owner has a Unique Entity Identified (UIN) number which replaces the DUNS number (<https://sam.gov/content/entity-registration>)
- g. Owner has a valid employer identification number.
- h. Business has a bank account.
- i. Business is not currently in bankruptcy, and has not declared bankruptcy within the last 7 years.
- j. Business is current with property taxes, City fees, business license, and other applicable

local, county, state fees and requirements.

- k. No person who is subject to the provisions of the City's Conflict of Interest Code has any ownership interest in the business, or would otherwise receive a financial benefit from the business.

The City will not provide grant assistance in situations where it is determined that any representation, warranty or statement made in connection with the SBAP-ARPA application is incorrect, false, misleading or erroneous in any material respect. In the event assistance has already been provided prior to the discovery of incorrect, false, or misleading representation, the City may initiate legal action to recover the funds and its attorneys' fees and costs in doing so.

3.0 INELIGIBLE BUSINESSES

The following businesses are ineligible for participation in the SBAP-ARPA:

- a. Businesses located outside the City of La Habra
- b. Passive real estate investments
- c. Home-based businesses
- d. Government organizations
- e. Non-profit businesses
- f. Businesses with open Code Enforcement cases

4.0 ELIGIBLE USES OF PROGRAM FUNDS

Grants are restricted to the following eligible costs and are limited to one per business location.

- a. Payroll and Employee Benefits
- b. Rent and late payment fees
- c. Mortgage payments and late payment fees
- d. Utilities and late payment fees
- e. Inventory
- f. COVID-19 Supplies
- g. Personal Protective Equipment
- h. Cleaning Interior/Exterior to Sanitize Facility

Grant recipients will need to provide documentation that grant funds were used for these eligible costs. All other costs will be considered ineligible uses for the SBAP-ARPA. Grant funds cannot be associated with the relocation of a person or a business.

5.0 APPLICATION AND SELECTION PROCESS

Applications will be accepted on a first-come, first-serve basis beginning August 1, 2022 until funds are exhausted. Applicants will be required to complete an initial application, including a copy of the following documents:

1. Copy of City of La Habra business license.
2. Copy of State ID/ Driver's license
3. W-9 form
4. Most recent DE-9 Form
5. 2019 federal income tax return (all pages – all schedules).
6. 2020 federal income tax return (all pages – all schedules).
7. 2021 federal income tax return (all pages – all schedules). If not filed, 12 months of business bank statements (January 1, 2021 through December 31, 2021).
8. Receipts documenting expenses for which the business is requesting reimbursement. Example, rent payments, mortgage payment, payroll expenses, etc. **NOTE:** You will not be able to add any receipts to your applicant after it has been submitted.

NOTE: Applicants are encouraged to submit bills that exceed the grant amount of \$10,000. Applicant's will not be permitted to submit any bills after the application is submitted. Although, only \$10,000 in bills will be paid by the City, submitting more than \$10,000 will better ensure that the applicant will be paid the full amount of the grant.

The City reserves the right to request additional information upon receiving the application. Applications may be submitted online, by mail or hand delivered to the City of La Habra.

City of La Habra Community Development Department
Attn: Small Business Assistance Program (SBAP)
110 East La Habra Boulevard
La Habra, CA 90631

6.0 GRANT IMPLEMENTATION

Once the review is complete and the applicant is confirmed to be eligible, the City will send an agreement to the business. The business is required to provide three original copies of the agreement to the City. Upon execution of the agreement, the City will distribute funds to the business via check.

For PPE equipment, businesses must provide documentation that the costs were reasonable and comparable to the market rate for such equipment. This may include documentation of the costs for this equipment from at least three businesses providing this equipment or material.

If there is evidence that the grant funds have not been spent on eligible uses as outlined in these guidelines or that the grant funds have not been paid within the three-month period, the applicant shall be required to re-pay a portion of or all of the grant funds to the City. The applicant agrees that the City can request post-award documentation and/or audit applicants files in order to ensure funds were used on eligible expenses.

The City of La Habra and/or its representative will be responsible for the administration of the program:

- Originate grant funds
- Market the grant program
- Accept and process applications
- Review and underwrite grant requests
- Ensure timely disbursement of funds
- Maintain documents and fiscal records
- Administer grants and locally sourced funds used for this program
- Ensure compliance with program guidelines as they relate to the funding sources
- Report program metrics to the City Council, HUD and other interested parties.

7.0 RECORDKEEPING AND REPORTING

In accordance with 31 CFR Part 35, the City is responsible for maintaining all documents and records used in its assessment of the eligibility of the business for the grant.

8.0 ENVIRONMENTAL REVIEW

NEPA regulations require an Environmental Review Record (ERR) to be submitted for each project/business funded with SLFRF monies prior to award or approval of funds. The ERR level of review is based on the type of project proposed.

This review will be completed by the City of La Habra prior to the award of funds.

9. CONFLICT OF INTEREST

In accordance with 2 CFR 200.318(c) (General Procurement Standards), no employee, officer, or agent may participate in the selection, award, or administration of a grant made through this program if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a grant provided through this program.

10.0 APPLICANT CONFIDENTIALITY

Employees of the City will not disclose any of the borrower's personal confidential information as part of the grant process. Financial information supplied by the applicant, including but not limited to business operating statements, tax information, personal and business financial information, and similar data are considered to be confidential. All confidential information of businesses will only be disclosed to persons required to view the information as part of grant review and approval. All personal and business

confidential information of grant applicants will be kept in a locked secured storage facility or password protected electronic files and unavailable to persons outside of the program. At all times the City will abide by all requirements stated within the Privacy Act of 1974 as amended. If the City receives a request for public records related to a grant application, only non-confidential information, as verified by the City Attorney, will be provided.

11.0 EQUAL OPPORTUNITY COMPLIANCE AND DISCRIMINATION

In accordance with the City of La Habra's policies and program guidelines, this program will be implemented in ways consistent with the City's commitment to State and Federal equal opportunity laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with SLFRF program funds on the basis of his or her disability, family status, national origin, race, color, religion, sex, marital status, medical condition, ancestry, source of income, age, sexual orientation, gender identity, gender expression, genetic information, or other arbitrary discrimination.

12.0 PROGRAM GUIDELINES CHANGES AND MODIFICATIONS

Minor changes to these Implementation Guidelines involving administrative procedures or accommodations to adapt to unique applicant situations or opportunities, or regulatory changes may be performed with the approval of the Director of Community and Economic Development Director or his/her designee. Federal regulatory requirements for the SLFRF program are not subject to modification or revision.

13.0 APPEALS

Appeals of the determination of the Director of Community and Economic Development or his/her designee shall be made in writing within 15 days to the Planning Commission. The decision of the Planning Commission will be final.

CITY OF LA HABRA

SMALL BUSINESS ASSISTANCE PROGRAM (SBAP)

AMERICAN RESCUE PLAN ACT (ARPA)



REQUIRED DOCUMENTS APPLICATION SUPPORT DOCUMENT CHECKLIST

THE FOLLOWING DOCUMENTS MUST BE PROVIDED WITH THE APPLICATION.

If any of these document are missing, your application will be rejected.

- Copy of City of La Habra business license.
- Copy of State ID/ Driver's license
- W-9 form
- Most recent DE-9 Form
- 2019 federal income tax return (all pages – all schedules).
- 2020 federal income tax return (all pages – all schedules).
- 2021 federal income tax return (all pages – all schedules). If not filed, 12 months of business bank statements (January 1, 2021 through December 31, 2021).
- Receipts documenting expenses for which the business is requesting reimbursement. Example, rent payments, mortgage payment, payroll expenses, etc. **NOTE:** You will not be able to add any receipts to your applicant after it has been submitted.



QUESTIONNAIRE - Continued

	Yes	No	
Does your business have a physical (brick and mortar) location in the City of La Habra?	<input type="checkbox"/>	<input type="checkbox"/>	If you answered NO , STOP HERE your business in not qualified.
Does your business have a City of La Habra Business License?	<input type="checkbox"/>	<input type="checkbox"/>	If you answered NO , STOP HERE your business in not qualified.
Did your business experience a loss of revenue or increased operating expenses due to COVID-19?	<input type="checkbox"/>	<input type="checkbox"/>	If you answered NO , STOP HERE your business in not qualified.
Does your business have a conflict of interest?	<input type="checkbox"/>	<input type="checkbox"/>	If you answered YES , STOP HERE your business in not qualified. Refer to conflict of interest statement in the box below.

Conflict of Interest - Applicants for business assistance shall not be an employee, agent, consultant, officer or elected official or appointed official of the City who exercises or have exercised any function or responsibilities with respect to activities relating to this Program or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or financial benefit from this Program, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

ACKNOWLEDGMENT, AGREEMENT AND CERTIFICATION

Acknowledgment:

I/We understand that this grant is being provided by the City of La Habra based solely upon the information that you have provided in this application. I am also verifying that there are no outstanding tax liens or legal judgments against the business.

Certification:

I/We certify that the information provided in this application is true and complete to the best of my knowledge as of the date set forth opposite my/our signature(s) in this application and acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this application may result in civil liability and/or criminal penalties.

By signing below, I certify that the above statements are true and correct to the best of my knowledge. I understand that a false statement may disqualify me from benefits.

Name of Person Signing: _____	Title: _____
Signature _____	Date: _____

Page 1 of this application lists all of the documents required to be submitted with the application.

SMALL BUSINESS ASSISTANCE PROGRAM (SBAP) – AMERICAN RESCUE PLAN ACT

**GRANT AGREEMENT
BETWEEN THE CITY OF LA HABRA
AND**

«BUSINESS_NAME»

This Grant Agreement (“Agreement”) is entered into «Document Date» (“Effective Date”), by and between the City of La Habra, a California municipal corporation (“City”), and «Business Name», located at «Business AddressStreet Address», «Business AddressCity», «Business AddressState» «Business AddressPostal Zip Code». Each party is at times individually referred to as a “Party” and collectively as the “Parties” herein.

RECITALS

- A. As part of the American Rescue Plan (“ARPA”) approved by Congress, the City of La Habra received federal Coronavirus State and Local Fiscal Recovery Funds (“SLFRF Funds”) through the United States Department of the Treasury (“Treasury”). These SLFRF Funds are intended assist local governments in responding to the public health emergency, COVID-19 or its negative economic impacts, including providing assistance to small businesses and impacted industries, such as tourism, travel, and hospitality.
- B. The City of La Habra’s Small Business Assistance Program - American Rescue Plan (“SBAP-ARPA Program”) will provide one-time funding to small businesses located within the City that need financial assistance to aid in their recovery from the loss of revenue due to the COVID-19 public health emergency.
- C. Grantee acknowledges it has reviewed the Program Guidelines (“Guidelines”), attached hereto as Exhibit A and incorporated herein by reference. The Guidelines may be updated from time-to-time in the City’s sole and absolute discretion in accordance with applicable federal and/or State regulations. Any updated Guidelines shall automatically become a part of this Agreement and shall not require an amendment to this Agreement.
- D. Grantee requested a grant from the City for the Program by submitting a Grant Application (“Grant Application”).
- E. As a condition to accepting grant funds from Program, Grantee agrees to abide by all terms and conditions set forth in the Guidelines and this Agreement.

NOW, THEREFORE, the Parties agree as follows:

1. GRANT

- 1.1. City awards to Grantee grant funds in the amount of «Payment_Amount» (“Grant Funds”) as requested by Grantee in the Grant.
- 1.2. Grant Funds shall be disbursed by City to Grantee in accordance with the Guidelines and as provided herein.

2. TERM

The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until one (1) year after the City disburses the Grant Funds to Grantee, unless the City terminates this Agreement or any portion thereof at an earlier date as provided herein.

3. RESTRICTIONS ON USE OF FUNDS

3.1. The Grant Funds are subject to the following expenditure conditions:

- 3.1.1. Grantee shall fulfill and be in conformance with the requirements of the Program and its Guidelines, including but not limited to eligibility requirements, and any federal, State, local, and/or City requirement pertaining to the Program.
- 3.1.2. The Grant Funds shall be expended solely for the purposes provided in Exhibit A, and Eligible Expenses must have been, or be incurred on or after March 15, 2020.
- 3.1.3. The grant and use of SLFRF funds are limited to necessary and reasonable business expense incurred to prevent, prepare for, or respond to the COVID-19 pandemic. Grant Funds may be used for the following, including without limitation (each an “Eligible Expense”):
 - 3.1.3.1. The payment of commercial rent corresponding to a period when the business was subject to a complete or partial closure mandate by a local, State, or federal agency;
 - 3.1.3.2. Reimbursement for the business’s utility bills;
 - 3.1.3.3. Reimbursement for the cost of obtaining personal protective equipment for staff and customers;
 - 3.1.3.4. Reimbursement for the cost of devices intended to enhance safety of staff and customers, such as hands-free payment devices, sanitation supplies, and plexiglass partitions;
 - 3.1.3.5. Reimbursement for the cost of operating the business to comply with federal, State, or local public health orders including, without limitation equipment to operate outdoors including, without limitation, tents, canopies, outdoor furniture, heating devices, traffic barriers, and ground coverings; and/or
 - 3.1.3.6. Any other use, as determined by the City, that qualifies as a necessary and reasonable business expense incurred to prevent, prepare for, or respond to the COVID-19 Pandemic.

- 3.1.4. The Grant Funds received from the City may not exceed the loss incurred by the business due to the Coronavirus Pandemic.
- 3.1.5. The Grant Funds shall not be used for any activity that would violate City, state or federal statutory.

4. DOCUMENTATION REQUIREMENTS

- 4.1. At all times during the term of this Agreement, Grantee shall maintain true, proper, and complete documentation that evidences Grantee's expenditures for Approved Uses ("Records"). Grantee shall make available to City such Records within ten (10) calendar days of the City's request.

5. USE OF GRANT FUNDS

- 5.1. The Grant Funds may be provided to Grantee as reimbursement for Eligible Expenses and for no other use.
- 5.2. Reimbursement of Business Expenses. The City will use ONLY the documentation submitted by the Grantee as part of the application. Additional expense documentation will NOT be permitted to be added after the submittal of the application.
- 5.3. If City agrees that Grantee has incurred Eligible Expenses under the Program and Grantee has provided documentation to City as provided herein City will issue to Grantee a check to reimburse Grantee for the Approved Uses up to the Reimbursement Amount provided in Section 1.1.
- 5.4. Disbursement of the Grant Funds to the Grantee shall be by check, and prior to disbursing the Grant Funds, Grantee shall provide the following to the City so that the payment may be processed:
 1. **Completed W-9.**
 2. **Mailing address for check payment.**

6. INDEMNIFICATION

- 6.1. To the fullest extent permitted by law, Grantee shall indemnify, defend and hold harmless City, its City Council, boards and commissions, officers, agents, volunteers, and employees (collectively, the "Indemnified Parties") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever (individually, a Claim; collectively, "Claims"), which may arise from or in any manner relate (directly or indirectly) to misrepresentations or omissions by Grantee, the grant of funds by City, the acceptance or expenditure of Grant Funds, the Application, the Agreement and/or the Program (including the negligent and/or willful acts, errors and/or omissions of the Grantee, its principals, officers, agents, employees, vendors, suppliers, consultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable or any or all of them). This indemnification provision shall survive the termination of this Agreement.

6.2. Notwithstanding the foregoing, nothing herein shall be construed to require Grantee to indemnify the Indemnified Parties from any Claim arising from the sole negligence or willful misconduct of the Indemnified Parties. Nothing in this indemnity shall be construed as authorizing any award of attorney's fees in any action on or to enforce the terms set forth in the Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Grantee.

7. GRANTEE INDEPENDENCE

In the performance of this Agreement, the Grantee, and the agents and employees of Grantee, shall act in an independent capacity and are not officers, employees or agents of the City. The manner and means of performing under this Agreement are under the control of Grantee, except to the extent they are limited by statute, rule or regulation and the expressed terms of this Agreement. Nothing in this Agreement shall be deemed to constitute approval for Grantee or any of Grantee's employees or agents, to be the agents or employees of City. Grantee shall have the responsibility for and control over the means of performing under this Agreement, provided that Grantee is in compliance with the terms of this Agreement.

8. PROHIBITION AGAINST TRANSFERS

Grantee shall not assign, sublease, hypothecate or transfer this Agreement or any of the services to be performed under this Agreement, directly or indirectly, by operation of law or otherwise without prior written consent of City. Any attempt to do so without written consent of City shall be null and void.

9. NOTICES

9.1. All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the third business day after the deposit thereof in the United States mail, postage prepaid, first class mail, addressed as hereinafter provided. Courtesy copies of notices may be sent via electronic mail, provided that the original notice is deposited in the U.S. mail or personally delivered as specified in this section.

9.2. All notices, demands, requests or approvals from Grantee to City shall be addressed to the City at:

Attn: Miranda Cole-Corona
City of La Habra
110 E. La Habra Blvd.
La Habra, CA 90631
Email: mcole@lahabraca.gov

- 9.3. All notices, demands, requests or approvals from City to Grantee shall be addressed to Grantee at:

Attn: «Owner_Name_1_First_and_Last»
«Business_Name»
«Business_AddressStreet_Address»
«Business_Mailing_AddressCity» «Business_Mailing_AddressState»
«Business_AddressPostal__Zip_Code»
Email: «Primary_Contact__Email»

10. VIOLATIONS AND TERMINATION

- 10.1. If the City discovers that Grantee has breached any part of this Agreement or made a material misrepresentation or otherwise falsified its application or any document provided to City to support Grantee’s application or a reimbursement, or Grantee has misused the Grant Funds or used them for an ineligible expenditure, Grantee shall return the entirety of the Grant Funds to the City within ten (10) calendar days of the City’s written notice. The City’s decision shall be final. Additionally, the City shall have all other remedies besides the remedy provided herein to enforce this Agreement and its Program.
- 10.2. Specific Performance. Grantee agrees that the City has the legal right, and all necessary conditions have been satisfied, to specifically enforce Grantee’s obligations pursuant to this Agreement.
- 10.3. Termination. Notwithstanding anything to the contrary herein, the City shall have the right to terminate the Agreement immediately, with or without cause, at any time, by providing written notice to Grantee. Upon termination, the City shall have no further obligation to provide any Grant Funds or Reimbursement Amount to Grantee. City has the sole and absolute discretion to terminate the Program or any portion thereof at any time.

11. STANDARD PROVISIONS

- 11.1. Recitals. City and Grantee acknowledge that the above Recitals are true and correct and are hereby incorporated by reference into this Agreement.
- 11.2. Compliance With all Laws. Grantee shall at its own cost and expense comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted and comply with all state and county guidance for re-opening.
- 11.3. Waiver. A waiver by either Party of any breach, of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, whether of the same or a different character.
- 11.4. Integrated Contract. This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions herein.

- 11.5. Conflicts or Inconsistencies. In the event there are any conflicts or inconsistencies between this Agreement and the Grant Application or any other attachments attached hereto, the terms of this Agreement shall govern.
- 11.6. Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of the Agreement or any other rule of construction which might otherwise apply.
- 11.7. Amendments. This Agreement may be modified or amended only by a written document executed by both Grantee and City and approved as to form by the City Attorney.
- 11.8. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.
- 11.9. Controlling Law And Venue. The laws of the State of California shall govern this Agreement and all matters relating to it and any action brought relating to this Agreement shall be adjudicated in a court of competent jurisdiction in the County of Orange, State of California.
- 11.10. Equal Opportunity Employment. Grantee represents that it is an equal opportunity employer and it shall not discriminate against any contractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age or any other impermissible basis under law.
- 11.11. Attorney's Fees. In the event of any dispute or legal action arising under this Agreement, the prevailing party shall be entitled to its attorney's fees.
- 11.12. Taxes. The City and Grantee expressly agree that the Grantee shall be responsible for all taxes that are associated in any way to the receipt or use of the Grant Funds.
- 11.13. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the dates written below.

CITY OF LA HABRA:

A California municipal corporation

**GRANTEE:
(Business Name)**

Date: _____

Date: _____

By: _____
**Director of Community and
Economic Development**

By: _____
Owner Name, Title

—

GRANTEE UEI:

—

«UEI_Number_for_business_owner»

[END OF SIGNATURES]

Attachment: Exhibit A: Small-Business Assistance Program – American Rescue Plan Act Guidelines

Exhibit “A”

[Program Guidelines]

Immediately Following this Page.